

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH  
FOREIGN POSTAL OPERATORS  
INTERCONNECT REMUNERATION AGREEMENT – UNITED STATES  
POSTAL SERVICE AND SPECIFIED POSTAL OPERATORS II  
(MC2010-34)  
NEGOTIATED SERVICE AGREEMENT

Docket No.  
CP2022-34

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING MODIFICATIONS  
TO RATES UNDER INBOUND COMPETITIVE MULTI-SERVICE IRA-USPS II  
AGREEMENT WITH MATERIALS FILED UNDER SEAL**  
(June 3, 2022)

In accordance with 39 C.F.R. § 3035.105 and Order No. 546,<sup>1</sup> the United States Postal Service (Postal Service) hereby gives notice of modifications to certain inbound rates under the competitive multi-product “Interconnect Remuneration Agreement USPS and Specified Postal Operators II” (referred to as the “IRA-USPS II Agreement”) that is included within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 (MC2010-34) product. The Postal Regulatory Commission (Commission) issued an order on December 23, 2021 favorably reviewing the inbound competitive portions of the IRA-USPS II Agreement.<sup>2</sup>

Pursuant to the IRA-USPS II Agreement, any party may modify its delivery rates by communicating the new rates to the International Post Corporation by the July 15 of

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<sup>1</sup> PRC Order No. 546, Order Adding Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 to the Competitive Product List and Approving Included Agreement, Docket Nos. MC2010-34 and CP2010-95, September 29, 2010.

<sup>2</sup> PRC Order No. 6074, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators, Docket No. CP2022-34, December 23, 2021.

the year preceding their application.<sup>3</sup> Parties to the IRA-USPS II Agreement may generally self-declare rates within defined parameters.<sup>4</sup> In accordance with these terms, the Postal Service intends to modify certain inbound rates if these rates are favorably reviewed by the Commission.<sup>5</sup> The modified rates are intended to take effect on January 1, 2023.<sup>6</sup>

Prices and classifications for competitive products not of general applicability for Inbound Competitive Multi-Service Agreements with Foreign Postal Operators were previously established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates, issued on February 7, 2019.<sup>7</sup> This Decision authorized rates for, among other things, “Inbound International Competitive Agreements” that “consist of negotiated service agreements with foreign postal operators ... that are categorized as competitive in accordance with 39 U.S.C. § 3642(b)(1)-(2).”<sup>8</sup>

The Postal Service attaches the following to this Notice: (1) Attachment 1 – a certified statement concerning the modified rates under the IRA-USPS II Agreement

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<sup>3</sup> Notice of United States Postal Service of Filing Functionally Equivalent Inbound Competitive Multi-Service Agreement with Foreign Postal Operators, Docket No. CP2022-34, December 8, 2021 (Initial Notice), Attachment 2 (IRA-USPS II Agreement), at Annex 2 (pp. 21-23).

<sup>4</sup> *Id.*

<sup>5</sup> After July 15, 2022, International Post Corporation will provide parties to the IRA-USPS II Agreement with revised versions of their respective Link Specific Annex 2 – Appendix 1, which will contain the modified rates submitted by those parties. At that time, the Postal Service will update the IRA-USPS II Agreement with the revised versions of these Link Specific appendices.

<sup>6</sup> Pursuant to 39 C.F.R. § 3035.105(a), a change in rates not of general applicability must be filed at least 15 days prior to its effective date.

<sup>7</sup> Initial Notice, at Attachment 4 (Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-published Competitive Rates).

<sup>8</sup> *Id.*, at 1.

that is required by 39 C.F.R. § 3035.105(c)(2); and (2) the supporting financial documentation. Redacted copies, where appropriate, of these documents are filed publicly, while unredacted versions are filed under seal for the Commission's review. The Postal Service maintains that these rates and supporting documents should remain confidential and incorporates by reference its Application for Non-Public Treatment filed with its Initial Notice in this docket.<sup>9</sup> The Postal Service requests that the Commission continue to grant its Application for Non-Public Treatment of the materials filed in support of this Notice.

For the reasons discussed, and as demonstrated by the financial data filed under seal, the Postal Service has established that the modified rates under the IRA-USPS II Agreement are in compliance with the requirements of 39 C.F.R. § 3035.105. Accordingly, the Postal Service asks the Commission to favorably review these rates.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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June 3, 2022

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<sup>9</sup> Initial Notice, at Attachment 1 (Application of United Postal Service for Non-Public Treatment of Materials).

## **Certification of Prices for Inbound Competitive Multi-Service Agreement with Foreign Postal Operators**

I, Karen Meehan, Director, International Pricing and Financial Reporting, Finance Department, United States Postal Service, am familiar with the inbound competitive prices for the “Interconnect Remuneration Agreement USPS and Specified Postal Operators II” (referred to as the “IRA-USPS II Agreement”), executed in 2021. The prices contained in the IRA-USPS II Agreement were established in accordance with the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors’ Decision No. 19-1), issued on February 7, 2019.

I hereby certify that the cost coverage for the IRA-USPS II Agreement has been appropriately determined and represents the best available information. The rates are in compliance with 39 U.S.C. § 3633(a)(1), (2), and (3). The rates demonstrate that the IRA-USPS II Agreement should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from the IRA-USPS II Agreement should be much smaller. The IRA-USPS II Agreement should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Karen  
Meehan**

Karen Meehan

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Karen Meehan  
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Date